

## Office of the Secretary of Defense

## § 268.9

to the State Department for diplomatic assistance to effect settlement.

### § 268.8 Flash report of major foreign debt arrearages.

Major foreign debt arrearages are monitored by the NAC. Therefore, periodically DSAA will request flash reports from the DoD Components to satisfy NAC requirements for information on major foreign debt arrearages. For this purpose, a "major" foreign debt arrearage is any country program arrearage which involves the sum of \$250,000 or more. Flash reports will be submitted directly to DSAA by the local command in message form with information copies to the next higher command. The report will reflect any significant changes in major foreign debt arrearages from the quarterly foreign indebtedness reports submitted in accordance with § 268.6. Collections, information on increased indebtedness, problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collections are examples of the information which should be included in the flash reports.

### § 268.9 Discussion of terms.

(a) *Accounts receivable*. "Accounts receivable" consist of those amounts due in which the original payment time required full payment within 90 days of delivery or performance. It excludes principal payments or interest on short-term and long-term loans and credits.

(b) *Arrearage delinquency determination*. Obligations generated by formal agreements, as in the case of Foreign Military Sales contracts, are due on the dates specified in the contract or on the date specified in billings rendered in accordance with these contracts. Obligations incurred under Military Mission Support (Program 142) Logistical Support (Program 143) and any other authorized programs are due on the date billings are made to the customer country unless otherwise stated in the bill. Followup and reporting actions required by this part will be taken based on these dates. (See § 268.5.)

(c) *Country designations*. For reporting purposes, grants and contingent li-

abilities will be identified with the country which receives the benefit. Loans and credits will be identified generally with the country of the obligor or, in the instance of official multinational organizations, with the institution name. When the project is located in, or goods are destined for another country or area, the latter country or area should be stated in the description of purpose. If a government credit intermediary is the obligor, the transaction should be identified with the country where the project is located or the goods are destined.

(1) *United States*. "United States" shall mean the states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Canal Zone, Guam, Midway Island, U.S. Virgin Islands, and Wake Island.

(2) *Foreign country designations*. Country designations other than the "United States" shall be consistent with the standardized names and codes contained in the Military Assistance and Sales Manual (MASM).

(3) *Official Multinational Organization*. For reporting purposes, "Official Multinational Organization" shall mean any international or regional organization (or affiliated agency thereof) created by treaty or convention between sovereign states.

(d) *Dollar equivalents of foreign currency*. Represents dollar equivalent of all foreign currency amounts disbursed and still outstanding, undisbursed balances, and arrearages of principal and interest. They shall be computed at the reporting rate prescribed by Treasury Department Circular No. 930 for balances as of the end of the reporting period. The dollar equivalents of all other reportable amounts shall be the summation of individual transactions computed at the reporting rate prescribed for the period in which the transactions occurred.

(e) *Foreign indebtedness*. "Foreign indebtedness" means financial obligations owed to the U.S. Government by the following entities in connection with DoD activities.

(1) Any individual, including a citizen of the United States (excluding U.S.